

REPORT  
OF  
THE WAR TRADE BOARD

FEBRUARY 8, 1918

TO

MARCH 31, 1919.



OTTAWA

J. DE LABROQUERIE TACHÉ

PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

1919



*Chairman:*

HON. SIR GEORGE E. FOSTER, K.C.M.G., Minister of Trade and Commerce.

*Vice-Chairman:*

MR. F. P. JONES, Montreal.

*Members:*

MR. C. B. McNAUGHT, Toronto.

MR. J. W. McCONNELL, Montreal.

MR. J. H. GUNDY, Toronto.

MR. JOSEPH GIBBONS, Toronto.

SIR HORMISDAS LAPORTE, Montreal.

MR. C. MAGRATH, Ottawa.

MR. W. K. TROWER,

*Secretary.*

MR. J. H. WILKIE,

*Assistant Secretary.*



*To His Excellency the Duke of Devonshire, K.G., P.C., G.C.M.G., G.C.V.O., etc., etc.,  
Governor General and Commander in Chief of the Dominion of Canada.*

I have the honour to lay before Your Excellency the Report of the Vice-Chairman of the War Trade Board, up to March 31, 1919.

I have the honour to be, Sir,

Your Excellency's most obedient servant,

A. K. MACLEAN,  
*Acting Minister of Trade and Commerce.*

OTTAWA, March 31, 1919.







# REPORT OF THE WAR TRADE BOARD

FEBRUARY 8, 1918 TO MARCH 31, 1919.

OTTAWA, March 31, 1919.

HON. A. K. MCLEAN,

Acting Minister of Trade and Commerce, Ottawa.

DEAR SIR,—I have the honour to report on the activities of the War Trade Board as follows:—

## INTRODUCTORY.

Canada, as the war progressed, found it necessary to develop and establish industries which supplied munitions and equipment to her own army and to the armies of her Allies. During the first three years of the struggle the necessary raw material and semi-finished articles required were easily obtained from our neighbours in the United States.

Their advent into the war as an ally, however, changed the situation for various reasons. They then engaged actively in the conservation of essential materials and supplies necessary for the proper and vigorous prosecution of their war effort. For the production of munitions and essential supplies, Canada and the United States were, in a great measure, dependent on each other. Thus, pig iron, iron ore, steel sheets, coal, cotton, and many other essential commodities are imported by Canada from the United States; while on the other hand Canada exports to the United States nickel matte, asbestos, pulp, and other raw materials of an essential character, as well as power.

As the various Allies had evolved machinery to make adequate provision for the maintenance of more essential industries as distinguished from those that may be regarded as less essential for the purpose of the war, it was incumbent on Canada, in order that her full war effort might not be lessened, to establish control, co-operating and co-ordinating with those of the Allied countries, and at the same time provide for the continuance, as far as possible, of all Canadian industries so essential to the post-war period in order to provide diversity of occupation and work.

Great Britain and the United States were controlling and conserving both their raw material and manufactures. In addition, they were controlling their imports with the view of conserving shipping tonnage for the transport of troops, munitions, and stores to Europe. That being so, it was necessary to have some body established in Canada to see that Canada was supplied with the necessary raw materials and manufactured articles, to control her exports into channels which would best serve the Allied cause, and generally to act as advisers to the Government in regard to conditions of trade, industry, and production under war conditions.



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## FORMATION OF THE BOARD.

On the 8th of February, 1918, under the provisions of the War Measures Act, 1914, Order in Council P.C. 337 was passed constituting the War Trade Board and appointing its personnel, which was as follows:—

The Minister of Trade and Commerce.  
Frank P. Jones, Esquire, Montreal.  
John W. McConnell, Esquire, Montreal.  
James H. Gundy, Esquire, Toronto.  
Charles B. McNaught, Esquire, Toronto.  
Joseph Gibbons, Esquire, Toronto.  
Charles Magrath, Esquire, Fuel Controller.  
Hon. now Sir Hormisdas Laporte, Chairman, War Purchasing Commission.

The Order in Council appointed the Minister of Trade and Commerce chairman of the Board, and authorized the other members to elect a vice-chairman. Mr. F. P. Jones was elected by his colleagues.

## POWERS AND DUTIES.

The powers and duties of the Board were defined as follows:—

(a) To have direction of licenses for export and to make recommendations with regard thereto.

(b) To have direction of licenses for import and of applications to the proper authorities of exporting countries for permit to export to Canada and to make recommendations with regard thereto.

(c) To undertake and carry out such supervision as may be necessary of all industrial and commercial enterprises and by co-operation with producers to prevent waste of labour, of raw materials, and of products.

(d) To make recommendations for the maintenance of the more essential industries as distinguished from those of a less essential character.

(e) To investigate and keep records of the country's stock of raw materials, partially finished products, and finished products and when necessary to direct their distribution so as to obtain the best results in the national interest.

(f) To consider and recommend means of curtailing or prohibiting the use of fuel or electrical energy in the less essential industries.

(g) To direct priority in the distribution of fuel, electrical energy, raw materials and partially finished products.

(h) To investigate generally the conditions of trade, industry, and production (except food production), and to make recommendations with regard thereto.

(i) To work in co-operation with the Canadian War Mission at Washington, and through that Mission or otherwise, to co-operate with the War Trade Board of the United States or other bodies constituted for the like purpose with a view to securing the most effective unity of action by the two countries for war purposes.

The above powers were augmented by several subsequent Orders in Council, the chief of which are as follow:—



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*Distribution of Tin Plate.*—Order in Council, P.C. 578, dated March 9, 1918, authorized the War Trade Board to purchase on behalf of His Majesty such quantities of tin plate as might be required for consumption in Canada, and to distribute the same amongst the purchasers of tin plate in Canada, as they might deem advisable; taking such steps as were considered necessary to prevent loss by obtaining letters-of-credit from purchasers.

*Commandeering Powers.*—Order in Council, P.C. 579, dated March 9, 1918, authorized the War Trade Board to require any person, manufacturer, incorporated company, firm, or association, to furnish it with any information and with such statements in such form, on or before such date or dates, and containing such information as the Board or its representative might from time to time prescribe with respect to any premises, factory, manufactures, products of manufactures, raw material, fuel, electrical energy, transportation or other commercial matters. Further, it authorized the Board to order any person, manufacturer, incorporated company, firm or association to place at its disposal or to make such distribution or sale as it might deem advisable of raw materials, semi-finished or finished articles, of facilities for the production or distribution of same, including machinery plant equipment, coal and coke or fuel of any kind. It further instructed the Board to fix prices of articles requisitioned, subject to an appeal to the Exchequer Court.

*Instructed to negotiate for re-opening of Dormant Blast Furnaces.*—Order in Council, P.C. 1187, dated May 18, 1918, asked the War Trade Board to enter into communication with responsible parties for the rehabilitation of dormant blast furnaces and the construction of new undertakings for the production of pig iron in Canada on the basis of a government guarantee for the purchase of their product for a series of years, and at such reasonable prices as might be agreed upon.

*Control of Platinum.*—Order in Council, P.C. 1299, dated May 29, 1918, authorized the Board to control the sale, purchase and use of platinum.

*Financing of Australasian Wool Imports.*—Order in Council, P.C. 2058, dated August 22, 1918, authorized the Bank of Montreal to advance \$3,500,000 to finance the import of wool from Australasia, the distribution of which is handled by the Wool Commission under the supervision of the Board.

*Control of production and distribution of Iron and Steel.*—Order in Council P.C. 2095, dated September 3, 1918, empowered the Board to control and regulate the production and distribution of iron and steel and the products thereof.

*Bounties on Linen Yarns.*—Order in Council, P.C. 2136, dated September 3, 1918, provided for the payment of certain bounties on the production of linen yarns in Canada for the three years ending 31st March, 1922, such bounty not to exceed \$25,000 in any one year.

*To stimulate production of Chrome Ore.*—Order in Council, P.C. 2438, dated October 12, 1918, empowered the Board to take possession of, appropriate, undertake, and carry on the management of chrome ore-producing properties for a period of five years.

*Prohibited Exports.*—The following Orders in Council prohibited the export of various commodities from Canada except under license issued by the Commissioner of Customs on the recommendation of the War Trade Board:—

- P.C. 577, dated 9th March, 1918.
- P.C. 823, “ 5th April, 1918.
- P.C. 881, “ 11th April, 1918.



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P.C. 882,	"	11th April, 1918.
P.C. 1216,	"	22nd May, 1918.
P.C. 1218,	"	29th May, 1918.
P.C. 1454,	"	13th June, 1918.
P.C. 1507,	"	15th June, 1918.
P.C. 1775,	"	18th July, 1918.
P.C. 1868,	"	27th July, 1918.
P.C. 2040,	"	17th August, 1918.

*Prohibited Imports.*—The following Orders in Council prohibited the importation of various commodities into Canada except under license issued by the Commissioner of Customs on the recommendation of the War Trade Board:—

P.C. 1193,	dated	3rd June, 1918.
P.C. 1506,	"	15th June, 1918.
P.C. 1776,	"	18th July, 1918.
P.C. 1869,	"	29th July, 1918.

#### GENERAL.

Conferences with representatives of many industries were held with reference to the endeavours of the Board to correct the adverse trade balance. Meetings with representatives of industries affected by the shortage of raw material were held and consultations with manufacturers concerned in the conservation of materials were frequent.

The personnel of the Board has remained as it was at its institution, with the exception of the chairman, Sir George E. Foster, who was replaced during his vacation and since his departure to Europe to attend the Peace Conference, by the Hon. A. K. Maclean.

Mr. Magrath and Sir Hormisdas Laporte acted as consulting members to the Board throughout.

#### EXPORT LICENSE DEPARTMENT.

At the time of the inception of the War Trade Board a restricted export list was in operation modelled along the same lines as the British list, and the number of commodities contained in the list were added to considerably by the aforementioned Orders in Council.

The limitation of exports was necessary to conserve the products of this country for the use of our own people and the peoples of the Allies. Any surplus was disposed of in such a way as to aid, so far as possible, those countries which we have been in the habit of supplying; taking care of course, to see that neither Germany nor any of her Allies derived any benefit therefrom. The question of return cargoes had also to be kept in view.

Another factor was the shortage of shipping and the necessity of transporting troops, supplies, and munitions to Europe to maintain the army in the field in fighting trim.

The underlying principle governing the policy as regards exports was the conservation of essential commodities for war purposes. Licenses were only issued for shipment of such materials when a surplus existed in Canada. Provided Canadian requirements were taken care of, this department endeavoured to assist the Canadian exporter as far as possible, keeping in view the necessity of conserving tonnage.



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In the case of many commodities we endeavoured to maintain a clearing-house whereby we were enabled to refer applicants for export licenses to Canadian firms. By this method we were able to dispose of large quantities of material to Canadian consumers who required the material which it was proposed to export. This was particularly the case in regard to machinery essential to war purposes, scrap of all description, tankage, bones, etc. Many firms were thus enabled to purchase their requirements through the instrumentality of this department. In all such cases sales were effected in a manner satisfactory to both seller and purchaser.

The Board invited trade organizations directly concerned in war work to discuss problems with a view to rendering assistance in their solution. The following are a few of the commodities presenting problems of supply and demand—wool, military equipment, clothing suitable for war purposes, hides, leather, machinery, fertilizers, metals, etc., and we wish to place on record an acknowledgment of the assistance and advice given by the various departments of the Government and by the Imperial Munitions Board, the Canadian Wool Commission, the War Purchasing Commission, the Canadian Tanners' Council, the Canadian Pulp and Paper Association, the Canadian Wool Growers Association, Steel Manufacturers, Wool Manufactures, etc., which were of great value to the Board in effecting satisfactory solutions of many difficulties.

In consequence of the signing of the armistice on November 11, 1918, it was no longer necessary to control exports with the exception of those to enemy countries, Northern European neutrals, and to parties appearing on the Statutory Black List, and on the 20th January, 1919, all restrictions were removed. However, it was found necessary to re-impose these so far as neutral countries were concerned in order to co-ordinate our export policy with that of Britain and the United States, and this was done on 1st March, 1919.

The number of licenses recommended by the Board was 21,007.

## INSPECTION DEPARTMENT.

It was found necessary to establish a department to inspect the materials sought to be exported in order that the Board might be satisfied that the materials exported corresponded to the description given in the applications for export.

For this purpose two resident inspectors were appointed, one stationed in Montreal and the other in Toronto. These inspectors supervised exports from Quebec and Ontario, and so far as exports from other points were concerned the supervision of these was undertaken by Customs collectors.

## IMPORT LICENSE DEPARTMENT.

This department was created on June 5, 1918, primarily for the purpose of curtailing imports of non-essential articles in order to correct the unfavourable trade balance against Canada. Later it was found necessary to further control the import of the less essential articles where ocean tonnage would be involved in transportation. The restrictions imposed by Canada, based on ocean tonnage conditions, were co-ordinated with the United States list of restricted commodities in a joint effort looking to the successful prosecution of the war.

From the beginning, it was the endeavour of the Board, in imposing restrictions, to avoid all unnecessary inconvenience to or disturbance of established trade, and with that end in view information was obtained by interviews, correspondence, and conferences between members of the Board and representatives of the various industries. A general readiness and willingness to co-operate with the Board in carrying out the import restrictions were found amongst all those affected.



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The restrictions arising out of ocean tonnage conditions did not affect importations from Europe, as a surplus of steamer space always existed as back haul. Imports from South America, South Africa, Australia, India and the Orient were scrutinized with a view to reducing such imports to actual requirements.

Owing to the changed conditions brought about by the signing of the armistice the regulations were relaxed and licenses were being freely granted. On January 20, 1919, all restrictions were removed (with the exception of those upon a few food products of which the Canada Food Board still found necessary to retain control).

Up to this date import applications dealt with have numbered 30,176.

#### BRITISH PRIORITY DEPARTMENT.

In December, 1916, a meeting of representatives of British Overseas Dominions and the Ministry of Munitions was held in London, the outcome of which was that a system of priorities covering material to be exported to the different overseas Dominions was instituted. The Department of Trade and Commerce was nominated to act as Local Priority Authority for Canada, and carried on this work until April 1, 1918, when it was transferred to the War Trade Board. The activities of this department were directed to ascertaining the purposes for which materials were sought to be exported from the United Kingdom, and the uses to which they were to be put in Canada. Four priority ratings were established upon which all recommendations were based, depending on their degree of urgency, either for war work or for essential industries. This branch had the voluntary assistance of the Canadian importers who deal in certain commodities, and Advisory Committees were appointed to assist in the equitable distribution of linen thread and yarn, also wire rope and cable.

On December 12, 1918, upon instructions from the Ministry of Munitions, London, this issuance of British Priority Recommendations was discontinued.

Our decision was required in a great many cases, but in 1,281 cases applications were recommended between April 1 and December 12, 1918.

#### IMPORT WOOL DEPARTMENT.

The importation, distribution, and control of raw wool from Australia and New Zealand, and of tops, noils, etc., from the United Kingdom was taken over from the Department of Trade and Commerce by the War Trade Board on April, 1918. The work of this branch has been administered in conjunction with the Canadian Wool Commission which maintains an office and warehouses in Toronto, at which central point, allotment, selection, and distribution to the different mills is made. All United Kingdom and Australasian wool, tops, etc., have been purchased from the Director of Raw Materials, London, and paid for, and shipped consigned to the order of the War Trade Board, which, before releasing it for distribution, obtained payment therefor.

Canada's allotment of Australasian wool for the year 1918 was 46,208 bales, weighing 15,573,542 pounds, with an approximate value of ten and a half million dollars (\$10,500,000). This, with the exception of a relatively small amount, has been distributed to the Canadian Woollen Manufacturers, and the remaining portion is being steadily disposed of. In addition to the above, something like five and a half million pounds of tops and noils, valued at approximately five million five hundred thousand dollars (\$5,500,000) have been received from the United Kingdom and distributed to the manufacturers. The funds collected in payment for tops and noils have been turned over to the British Treasury.

Early in 1918, in view of the slow delivery of Australasian wool and the placing of large orders for woollen goods by both the Canadian and United States Governments, it was deemed advisable to urge the use of as large a quantity of Canadian



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grown wool as possible and to discourage its export to the United States. With this object in view a ruling was made that no export license should be granted for wool without the approval of the Canadian Wool Commission, through which it was to be offered to the Canadian trade at the United States fixed price, for a period of ten days. By this procedure very large quantities of domestic wool were consumed in this country which would otherwise have been exported, and a probable wool famine was averted.

Credit for the handling of wool imports is due to the members of the Canadian Wool Commission, who voluntarily gave their valuable time and advice to the War Trade Board without remuneration.

The members of the Canadian Wool Commission are as follows:—

Geo. Pattinson, Preston, Ont.

J. Bonner, Paris, Ont.

C. W. Bates, Carleton Place, Ont.

Arch. Rosamond, Almonte, Ont.

Geo. Forbes, Hespeler, Ont.

F. B. Hayes, Toronto, Ont.

H. Hodgson, Secretary, 500 McKinnon Bldg., Toronto.

## UNITED STATES EXPORT DEPARTMENT.

The United States, shortly after their entry into the war, established control over the export of all commodities. They instituted a Bureau of Exports, the function of which was to conserve for the Allies important commodities, the supply of which was less than the demand.

As Canada is dependent on the United States to a very great extent for large quantities of raw and manufactured articles, and as in many cases the United States required to be satisfied that the commodity sought to be exported was necessary for war purposes, or for essential industries, it was found necessary to co-operate with them in securing Canadian requirements. This was done through the Canadian War Mission in Washington, the War Trade Board in Canada obtaining and supplying the necessary information from Canada.

This entailed a great deal of work and investigation. Records were opened, and kept up to date; applications were followed up, and in this way Canada's industries were kept moving with the supplies obtained from the United States.

The number of applications which passed through this department was 10,833.

The Board endeavoured to impress on Canadian importers the necessity of economizing in the use of all imports, and wherever practicable, the utilization of substitutes was strongly urged.

## UNITED STATES PRIORITY DEPARTMENT.

The War Industries Board of the United States established control over the production of various industries. In order to distribute effectively the output of these industries a system of priority was inaugurated. Classifications were laid down based upon the relative importance of the particular industry or plant to the war programme or to supplying the essential needs of the civilian population.

As manufacturers of munitions, explosives, shipbuilders, and others were dependent on the United States for certain supplies, it was found necessary, in order that the commodities required might be forthcoming, to have some authoritative body to deal with applications originating in Canada. This work was accomplished by the Board through the Canadian War Mission in Washington; 1,898 applications were passed through this department.



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## RAILWAY PRIORITY TREATMENT.

Owing to the congested condition of the railways in the United States many requests from Canadian importers for assistance in moving shipments were received. These cases were taken up with the Transportation Department of the Canadian War Mission, Washington, and the United States Railroad Administration, or when the shipment was required for purposes directly connected with the War, with the Director of Inland Transportation.

Preference was of course given to the movement of material for war work for purposes contributory thereto. Material assistance was rendered to many firms engaged in munitions work.

## CANADIAN PRIORITIES.

Immediately after its formation the Board investigated as to whether it would be necessary to institute a priority system based on the same lines as that of the United States. After consultation with the chairman of the War Purchasing Commission and the chairman of the Imperial Munitions Board, and with the manufacturers of munitions, explosives and army equipment, the decision was reached that such would be unnecessary as the Board had power to order manufacturers to place their output where it could best be used. This course most effectively and promptly relieved everyone concerned.

The method adopted by the Board was to scrutinize each application and after full investigation, to issue a priority order to the firm concerned. The Board feels that it is due to the manufacturers to acknowledge their loyalty and co-operation in carrying out its orders.

## GENERAL.

Whilst the above mentioned departments covered the general administration of the Board, there were a number of special commodities to which particular attention was given. The details in connection with all these the Board does not consider of general interest but it may be desirable that some particulars be furnished in connection with certain commodities of which there was a serious shortage in Canada, the steps taken by the Board to remedy the situation, and the general policy of the Board.

*Investigation of Trade Imports.*—The obligation imposed on the War Trade Board by the Government to recommend means of correcting the adverse trade balance necessitated the investigation of all imports into Canada, which, without undue hardship to Canadian citizens, could be curtailed or done without altogether. An analytical study of the entire situation was undertaken and certain well-defined principles were arrived at.

The Board approached this task in a spirit of co-operation with Canadian trade and industry, keeping in mind the objective to be reached and being sincerely desirous of imposing no unnecessary hardship or restrictions on trade. In the majority of cases, the procedure followed was to confer with representatives of the various trades and industries in order to receive their recommendations as to how the curtailment of the imports they dealt in could best be accomplished.

*Conservation.*—The co-operation of various manufacturing trades was asked towards standardizing certain manufactured lines, reducing size of samples, both of cloth and of the quantity of leather used in the manufacture of boots, etc. The trades concerned readily assented to any suggestion, and the Board, owing to this spontaneous co-operation on the part of manufacturers, found it unnecessary to issue any definite orders in this respect.



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Investigations of Canadian production and trade practice in regard to the use of various raw materials were undertaken with a view to increasing or directing the same and finding substitutes or improvements with the object of conservation. A few of the commodities investigated were:—

Sulphur	Mica
Tungsten	Graphite
Talc	Ferro-alloys
Quartzite	Chrome ore
Platinum	Chilian Nitrates
Pyrites	Benzol
Molybdenum	Fertilizers.
Coal conservation	

The Board all along gave its assistance to dealers and manufacturers of essential requirements.

*Pig Iron and Steel.*—In 1913 and 1914 Canadian steel production was roughly speaking 1,000,000 tons. When the Armistice was signed it was practically 2,000,000 tons. This increased production has been obtained to a large extent by new acid and basic O. H. furnaces and electric furnaces intended to furnish steel slugs for projectiles by direct casting process.

Our increased production in steel has not been accompanied by a similar increase in pig iron production. This was not possible owing to the considerably longer time required for blast furnace construction and it must be remembered that for the first three years of the war supplies were readily obtainable in the United States.

*Basic Pig Iron.*—The production in Canada at the formation of the War Trade Board was confined to six companies, viz.:—

*Algoma Steel Company, Sault Ste. Marie, Ont.*—Production used entirely for their own steel output which was practically all going into projectile steel.

*Steel Company of Canada, Hamilton, Ont.*—One stack for pig iron and one for basic, which entire steel production of 28,000 to 30,000 ingots monthly was devoted to producing steel sheets, shell steel, rods, bars, etc., for cars, shipbuilding, locomotive and other essential needs.

*Nova Scotia Steel and Coal Co., New Glasgow, N.S.*—One steel stack, used entirely for their own needs producing sheet steel, shell steel, light plates, and bars for their own car shops, and for shipbuilding, etc.

*Dominion Iron and Steel Co., Sydney, N.S.*—Steel production used for their own output for projectile steel, rails and rods.

*Canadian Furnace Co., Port Colborne, Ont.*—One stack.

*The Standard Iron Company, Deseronto, Ont.*—One small stack.

The basis of our control of the steel output of Canada was directed towards its production into forms required for munitions and war essentials. Preference was given to projectile steel and all materials for munitions. Special arrangements were made for car and locomotive needs, while the control of steel for domestic needs and the control of exports has been directed from the standpoint that all facilities for producing war requirements must first be filled to capacity.

Notwithstanding the production of these furnaces, it was necessary to obtain large supplies from the United States, but in the spring of 1918 the United States authorities owing to their large munitions and shipbuilding programme only granted export licenses when they were satisfied the manufactured product was to be used in work directly connected with the war. Tentative arrangements were made, however, with the United States authorities for the supply of pig iron necessary for essential



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purposes, and as at this time it was anticipated that the war would continue for a considerable period, provision had to be made for Canada producing the pig iron required by her own steel manufacturers.

In the first place the Board proceeded to control the output of existing furnaces by distributing it to manufacturers of munitions, ships, and other essential industries which contributed to the most effective prosecution of the war.

In the second place the Board deemed it advisable, in order to replace the supplies which could not now be obtained from the United States, to arrange for the re-opening of dormant blast furnaces (see Order in Council P.C. 1188, 18th May, 1918). Negotiations were thereupon entered into with the Midland Iron and Steel Co., Limited, Midland, and the Parry Sound Iron Company, Parry Sound, for the re-opening of their furnaces and the purchase of their output for two years. Contracts with both these Companies were entered into (see Orders in Council P.C. 1690 and 1712, July 19, 1918).

It was also arranged to enter into a contract with the Atikokan Company, Port Arthur, for the reopening of the Port Arthur blast furnace, but owing to their being unable to procure the necessary coal supplies the contract was never concluded. Under war conditions the output of these furnaces could easily have been absorbed by manufacturers in Canada.

*Steel Plates.*—No steel plates wider than 4 feet are rolled in Canada. Owing to the shipbuilding programme adopted by the United States, such an acute shortage of plates of all qualities developed in Canada that something had to be done to relieve the situation. Arrangements were made with United States authorities for what was known as the Canadian Plate Allotment, which permitted Canada to receive at least 1,000 tons plates per week at first, which was later increased to 3,500 tons.

Unfortunately shipments were not made in accordance with allotment for some time. In an endeavour to overcome the difficulties which arose in having sufficient tonnage shipped, an agreement was made whereby Canada's requirements could be scheduled each month. This Steel Plate Schedule at first covered 8,000 tons, two-thirds of which was for shipbuilding, and the balance for other essential purposes, such as locomotive construction, agricultural implements, etc. This schedule was increased each month until 15,000 tons per month was reached.

*Steel Plate and Boiler Tube Stocks.*—Conservation of these stocks in Canada was absolutely necessary owing to the great difficulties in having same replenished, due to shortage of steel commodities. However, as plates and boiler tubes were necessary to the continued operation of essential industries, releases from stocks were obtainable on authorization by the Board when request was made on forms provided for this purpose. These applications were all entered in the records and carefully examined as to their merits. When refused, the application was returned to the applicant with a full explanation of the reason for such action by the Board.

Several complaints were received from users of steel plate, alleging that holders of this stock were charging exorbitant prices for steel plates to consumers. Inquiries were instituted and in some cases the complaints were well founded. It was accordingly found necessary, before releasing plates from stock, to obtain from the dealers the laid down cost of the plates to them and the price at which the proposed sale was to be made. When this routine was adopted it was found necessary, in many cases, to ask the dealers to revise the quotation they had given to ultimate users of the steel plates.

*Plates for Car construction.*—Owing to the impossibility of obtaining supplies of car plates from the United States, steps were taken to relieve the situation by producing at least a portion of the smaller plates in Canada. That this was found possible was due in a large measure to the whole-hearted co-operation of the Steel Companies,



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and under authorization of this Board the Car Companies were supplied with all the plates required. As a result of this, not only was the Canadian Government car programme not held up, permitting a large number of railroad cars which were so urgently needed being put into operation, but the plate situation was also relieved to the extent of tonnage involved, which would otherwise have had to have been taken care of in our plate allotment. This course would have resulted in the plate situation becoming, if possible, more acute than it was.

Reports were made each week by the producers, namely, Nova Scotia Steel and Coal Company and Dominion Foundries and Steel Co., Limited, to this Department, and care was taken to see that no shipments were made which would interfere with the production of cars.

*Control of Production and Distribution of Iron and Steel.*—By Order in Council, P.C. 2095, dated 8th September, 1918, power was given the Board to control the production and distribution of iron and steel. A preliminary investigation as to the methods to be adopted by the Board to achieve this object was made and arrangements for carrying out the instructions of Council were being made when the Armistice was signed. This changed the whole situation, and the Board, after careful consideration, came to the conclusion that while it would have been possible to control the industry under war conditions it was inadvisable to do so when peace conditions prevailed without unduly handicapping and stifling individual enterprise.

*Ingot Tin.*—In 1917, Britain apportioned a certain tonnage of pig tin to Canada, basing it on a definite percentage of pre-war consumption. Owing to the fact that some of our importers had a large United States pre-war trade, our allotment was really more than we required, consequently Britain, learning that we were re-exporting to the United States, withdrew the entire allotment and for the time being held up all shipments to Canada.

On the formation of the War Trade Board, arrangements were made through the High Commissioner's office in London for the necessary supply, provided applications were endorsed by this Board and the distribution supervised by us. This arrangement worked quite satisfactorily, and the distribution of ingot tin imported from China and the Straits Settlements was also controlled.

*Ferro-manganese.*—On account of the extreme shortage caused by the excessive demand for this commodity for war work, it was found necessary to control the distribution of this material. Prior to the organization of the War Trade Board the Imperial authorities required all applications to be endorsed by the Imperial Munitions Board. This arrangement, however, was not altogether satisfactory as it worked a hardship on firms who were not direct contractors with them. Arrangements were therefore made with the Imperial Munitions Board and the British Ministry of Munitions to have the control centred in the War Trade Board, and distribution was controlled in the same way as that of ingot tin.

*Tin Plate.*—The question of Canada's requirements was taken up with the United States authorities by this Board, and arrangements made whereby the United States authorities were to allocate 40,000 tons for Canada. This arrangement was later withdrawn, and superseded by an agreement to allocate 5,000 tons when urgently required for essential industries in addition to outstanding orders which Canadians had placed with United States mills, amounting to about 28,000 tons.

As a result of tin plate supplies being obtainable at the United States fixed price, few applications were received and Canadian importers only took advantage of the allotment to the extent of 25 tons.

*Platinum.*—The platinum requirements of the Allied Governments were so much in excess of any production that was expected to be forthcoming that it was considered



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both necessary and wise to make inventory of the platinum held throughout the country. In addition, the use of platinum for other than war and essential industries was forbidden. The surplus platinum held by jewellers in Canada was then sold by them to the Imperial Munitions Board. An agreement was also entered into with the United States War Trade Board that essential articles containing platinum, in manufactured or other form, would be permitted to be exported to Canada only when the equivalent weight of platinum was at the same time imported from Canada to the United States.

*Pyrites.*—There was a shortage of pyrites, one of the principal sources of sulphuric acid, in the United States. This was due to the scarcity of imports from Spain which were largely reduced owing to the lack of shipping tonnage. The Board investigated the production in Canada and arrangements were made to considerably augment the output from Canada. This campaign was prosecuted vigorously by Dr. A. W. G. Wilson of the Mines Department, Ottawa.

*Potash.*—The Board investigated the possibility of manufacturing potash in Canada, supplies of which before the outbreak of war, were obtained in Germany.

A proposal was made by the Canada Cement Company to recover potash from their cement plants and was favourably considered by the Board, but no action had been taken thereon when the Armistice was signed. It may be mentioned that this method of recovery is at the present time being operated in the United States, and we understand that the Canada Cement Company is proceeding with the development of this industry in Canada in one of its numerous plants.

*Nitro-Glycerine and Explosives.*—Following a request made by the British Ministry of Munitions in respect to the desirability of conserving available nitro-glycerine, an arrangement was made with the United States War Trade Board, Washington, restricting the nitro-glycerine content in all commercial explosives for export to 42 per cent, this restriction resulting in considerable saving.

*Chrome Ore.*—Owing to the shortage of Chrome ore in the United States, brought about by their policy of conservation of ocean tonnage, encouragement was given to production in Canada. This was most ably carried on under the supervision of Dr. R. Harvie, of the Geological Survey, as resident agent of the Board at Black Lake.

*Labour.*—A number of investigations were made by Mr. Gibbons, the Labour representative on the Board, with a view to ascertaining available supplies of labour for the various industries which were in operation and which were capable of development during the war.

*Tanning materials.*—Owing to the many difficulties encountered in securing raw materials from South America for Canadian essential requirements, such as hides and tanning materials for the manufacture of Army boots, also coffee beans, etc., which had formerly been imported from South America via the United States, it was deemed advisable to take steps to arrange a direct service between South American points and Canada. This question was taken up with the British Ministry of Shipping by the Department of Marine, when a sailing by a vessel which could not be used in the submarine zone was arranged, and a cargo of about 7,000 tons of the above-named commodities was imported into Canada.

Arrangements were also made with the United States War Trade Board for supplies of other tanning materials on an equitable basis.

*Shipping space from New Zealand.*—In consequence of a number of steamers being taken off the New Zealand-Canadian shipping route it was found necessary to have one authority with power to issue permits for the allocation of space available



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for shipments to Canada. The Canadian-Australian Line is subsidized by the Government and consequently it was desirable that only those commodities which were required for the effectual prosecution of the war should be imported from New Zealand.

As the War Trade Board was in the best position to know what shortage existed it was decided after consultation with the Department of Trade and Commerce and the Canada Food Board that they should recommend preference for certain shipments. In this manner shipments of wool, hides, and tallow urgently required in Canada were allowed to come forward and non-essential requirements were refused permit.

This allocation of space was arranged through Mr. W. A. Beddoe, Canadian Trade Commissioner, Auckland, N.Z., who performed his part of these duties in a manner which earned the approval both of Canadian importers and New Zealand exporters.

*Canadian War Mission.*—The Canadian War Mission was formed to look after Canadian interests in Washington. The entry of the United States into the war made it imperative that we should co-operate with our neighbours so that our policy both in regard to imports and exports, might co-ordinate with theirs; there were also many commodities used largely for direct war purposes, the supply of which did not equal the demand. The distribution of many of these commodities was, owing to its geographical position, largely controlled by the United States and the tendency of this control appeared at the first to be to neglect Canadian needs and requirements.

The Canadian War Mission therefore worked in co-operation with the War Trade Board, War Industries Board, and other bodies formed by the United States. They effected a fair distribution of materials of which there was a shortage and arranged that supplies necessary for explosives and munition plants were moved quickly and expeditiously. Further, they acted as a connecting link between the two Governments in securing the most effective means of pursuing and conducting the war by arranging for the development of certain industries and for increased production.

In order to maintain expeditious and effective communication with Washington a private telegraph wire was installed which was used by all Government Departments and by the Imperial Munitions Board; 8,690 messages were despatched and 9,819 received. The saving effected on the messages despatched from Ottawa alone was \$9,722.

*Commandeering Powers.*—The Board did not find it necessary to exercise the commandeering powers with which it was vested very extensively. The knowledge that the Board had the power to issue a commandeering order was in most cases sufficient to secure the objective desired. However, orders were issued commandeering a planer which was being shipped to an industrial firm in India and which was required for shipbuilding purposes in Canada by Vickers Company, Limited, Montreal. Other orders were issued commandeering wire rope, pig iron, and iron ore. In all cases parties were given the opportunity of agreeing as to price but in cases of disagreement the price was fixed by the Board with an opportunity of appeal to the Exchequer Court. In every case the decision of the Board has been accepted with the exception of that of ore supplied by the Moose Mountain, Limited, to the Standard Iron Company, Limited, Deseronto, the appeal in which is now pending.

*Financing of Australasian Wool Shipments.*—An allotment of Australasian wool to Canada was made by the Director of Raw Materials, London, during the years 1916, 1917, and 1918. During the years 1916 and 1917, payment was only demanded on delivery of bills of lading to mills, but in the year 1918 payment of 90 per cent of the value of the wool was insisted on immediately cable advice was received that the wool was loaded on steamer either in New Zealand or Australia.

To meet these payments, Order in Council P.C. 2058 authorized the advance of \$3,500,000 by the Bank of Montreal to the War Trade Board. Wool to the value of



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this amount has been imported into Canada and disposed of to the woollen mills with the exception of 5,045 bales of faulty wool which have been shipped to the Director of Raw Materials, London, and 3,000 bales which the mills have not yet been able to absorb.

The wool thus imported was charged out to the mills at the invoiced price plus a charge to cover insurance, freight, storage, expense of sorting and distribution, and contingencies.

*Cost of Administration.*—The following is a summary of the details of the expenditure of the Board:—

Salaries.. . . .	\$ \$1,082 79
Travelling expenses.. . . .	13,027 84
Living allowance to members.. . . .	6,960 00
Printing, stationery, office supplies and publications.. . . .	12,078 14
Furniture .. . . .	3,047 47
Half rental of private wire to Washington.. . . .	4,892 24
Cables, telegrams and telephones.. . . .	18,315 21
Sundry expenses... . . . .	806 03
Expenses incurred in connection with commandeering orders issued... . . . .	753 25
Total.. . . .	<u>\$140,962 97</u>

*Administration.*—The Board and its officials adopted the policy of disposing of all applications for licenses to export and import, and mail, as far as possible, on the day of receipt. This method appeared to appeal to both exporters and importers as in other countries considerable delays, which irritated merchants, were the rule.

On the termination of its work the Board received many letters of acknowledgment of the speedy and intelligent manner in which applications and the general work entrusted to it were handled.

As proof that the services of the Board were of some little value in speeding up production of war materials and supplies, letters from the Deputy Minister of Militia and Defence, and the Chairman of the Imperial Munitions Board are herewith reproduced:—

“DEPARTMENT OF MILITIA AND DEFENCE,

OTTAWA, March 22, 1919.

DEAR SIR,—Now that the work of your Board is finished, I wish to thank you on behalf of this Department for the benefits we have received through its agency.

We thoroughly appreciate the material assistance you gave us in procuring material, speeding up deliveries, arranging priority and import licenses, etc., and consider ourselves fortunate in having had such efficient co-operation in the difficult business of providing the necessary supplies for our troops.

Again thanking you, believe me to be,

Yours very truly,

EUG. Fiset, Major General,

*Deputy Minister Militia and Defence.*

FRANK P. JONES, Esq.,

Vice-Chairman, War Trade Board,

Ottawa.”



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“IMPERIAL MUNITIONS BOARD,  
TORONTO, March 25, 1919.

DEAR MR. JONES,—I would like to place on record the appreciation of the Imperial Munitions Board for the service rendered by the War Trade Board during 1918. You are aware that necessary regulations, both by the Dominion Government and the Government of the United States, interfered with the free movement of materials between the two countries. The consequent difficulties in the production of munitions and other war supplies was, as far as the work of the Board was concerned, reduced to a minimum largely through the service performed by your Board, either in granting certificates which gave freedom of action in Canada or in assisting us in securing licenses for the movement of products from the United States. In addition you gave us great assistance in establishing a preference in delivery of machinery for the necessitous requirements of the Board and generally your co-operation was of invaluable advantage in our work.

Yours faithfully,

J. W. FLAVELLE,  
*Chairman.*

F. P. JONES, Esq.,  
Vice-Chairman, War Trade Board,  
Ottawa.”

The Board desires to place on record its appreciation of the assistance afforded to it by the different Departments of the Government and the co-operation unstintedly rendered by the manufacturers and others with whom it had dealings.

*Staff.*—The staff of the Board served it in a most efficient manner. Without the loyal co-operation of all members, the work outlined in the foregoing pages could not have been accomplished, and many of them ungrudgingly sacrificed their leisure in the effort to keep the work up to date during periods of pressure.

I have the honour to be, sir,

Your obedient servant,

F. P. JONES,  
*Vice-Chairman.*



















